

CITY OF FAIRFIELD
RESOLUTION NO. 2018 – 24

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIRFIELD APPROVING
FIFTH AMENDMENT TO THE MANAGEMENT AGREEMENT WITH KEMPER
SPORTS FOR GOLF COURSE OPERATIONS AT THE RANCHO SOLANO AND
PARADISE VALLEY GOLF COURSES**

WHEREAS, the CITY owns certain properties commonly referred to as the Paradise Valley Golf Course and the Rancho Solano Golf Course (together, the “Golf Courses”); and

WHEREAS, the CITY contracts for operations at the Golf Courses pursuant to that certain Management Agreement by and between the CITY and Kemper Sports Management, Inc., dated January 1, 2008 (the “Kemper Management Agreement”); and

WHEREAS, the Kemper Management Agreement terminates on February 28, 2018; and

WHEREAS, the Kemper Management Agreement includes provisions to extend the agreement an additional five years, provided established performance measures were met; and

WHEREAS, Kemper has met the contract requirements and established performance metrics; and

WHEREAS, the CITY wishes to amend the Kemper Management Agreement and extend the agreement for an additional five years to December 31, 2022.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF FAIRFIELD HEREBY RESOLVES:

Section 1. The Fifth Amendment to the Management Agreement for the operations and maintenance of the City Golf Courses is hereby approved.

Section 2. The City Manager is authorized and directed to execute the Fifth Amendment, substantially in the form attached and to do all things necessary to implement this Resolution and the Fifth Amendment.

PASSED AND ADOPTED this 20th day of February, 2018, by the following vote:

AYES: COUNCILMEMBERS: PRICE/TIMM/BERTANI/MOY/VACCARO

NOES: COUNCILMEMBERS: NONE

ABSENT: COUNCILMEMBERS: NONE

ABSTAIN: COUNCILMEMBERS: NONE


MAYOR

ATTEST:


CITY CLERK
pw

CITY OF FAIRFIELD
FIFTH AMENDMENT TO
THE MANAGEMENT AGREEMENT FOR THE
OPERATION AND MAINTENANCE OF
GOLF COURSES AND FACILITIES

This Fifth Amendment to the Management Agreement (the "Amendment") is entered into as of February 28, 2018 by and between the CITY OF FAIRFIELD, a municipal corporation ("CITY") and KEMPER SPORTS MANAGEMENT INC., an Illinois corporation ("OPERATOR").

RECITALS

1. CITY owns certain properties commonly referred to as the Paradise Valley Golf Course and the Rancho Solano Golf Course (together, the "Golf Courses").
2. Pursuant to that certain Management Agreement, dated as of January 1, 2008 (the "Management Agreement"), CITY retained OPERATOR to provide for the overall management and operations of the Golf Courses, improvements to existing facilities, collection of fees and other related golf services to ensure the highest quality of golf programs for the public.
3. By that certain Third Amendment to the Management Agreement, dated as of February 11, 2016, the City extended the term of the Management Agreement until December 31, 2017.
4. By that certain Fourth Amendment to the Management Agreement, dated as of December 19, 2017, the City extended the term of the Management Agreement until February 28, 2018.
5. The CITY wishes to further amend the Management Agreement to retain OPERATOR to manage the Golf Courses for an additional term of five years, and to specify certain performance standards in connection with such operations.

NOW, THEREFORE, in consideration for the mutual promises hereinafter set forth the parties hereto agree as follows:

1.0 AMENDMENTS.

1.1 Section 1.4 (Definitions) is hereby amended in its entirety to read as follows:

"1.4 Director. "Director" shall mean the Director of Public Works of the City of Fairfield or an authorized representative thereof."

1.2 Section 2.4 (Annual Reports and Plans) is hereby amended by changing the deadline for the Annual Plan from "April 1" to "March 1."

1.3 Section 4.1 (Term) is hereby amended to change the expiration date to December 31, 2022.

1.4 Section 4.2. (Mutual Extension Option) is hereby deleted in its entirety.

1.5 Section 6.0 (Operator's Operating Responsibilities) is hereby amended by adding Section 6.16 (Performance Standards) to read as follows:

"6.16 Performance Standards. The OPERATOR'S performance shall be measured as follows:

A. Rounds per playable days increase by at least two percent (2%) above the prior fiscal year, beginning with fiscal year 2017/18.

B. For the time period beginning on July 1, 2017 and ending on June 30, 2022, the total number of paid rounds shall increase by at least two percent (2%) per year above the 2016/17 fiscal year level. The number of playable days will be considered in evaluating this performance measure.

C. For the time period beginning on July 1, 2017 and ending on June 30, 2022, the amount of tournament revenue shall increase by at least five percent (5%) above the 2016/17 fiscal year.

D. For children ages 17 years and younger, the number of rounds played, paid golf camp programs, free golf camp programs and private lessons, shall each increase by at least two percent (2%) above the prior fiscal year, beginning with fiscal year 2017/18.

E. For women, the number of rounds played, paid golf clinics, free golf clinics and private lessons, shall each increase by at least two percent (2%) above the prior fiscal year, beginning with fiscal year 2017/18.

F. A "playable day" is a day that the golf course is deemed not to be impacted by, in the absolute discretion of the Director: (i) poor climate conditions, such as excessive heat, cold, or wind or snow, (ii) poor course conditions due to regular maintenance practices, such as greens aerification, or due to weather events, such as standing water or soft and muddy terrain, or (iii) a forecast of precipitation."

G. An overall evaluation of whether the goals have been achieved shall take place at the end of each year and shall take into account factors beyond the reasonable control of Operator, such as playable days.

Section 8.3 (Minimum Working Capital) is hereby amended in its entirety to read as follows:

"8.3 Minimum Working Capital. The CITY shall maintain at all times an amount on deposit in the accounts of no less than two (2) months of Direct Costs for both Golf Courses, but in any event, not less than \$200,000 (the "Working Capital Reserve) so as to provide the OPERATOR with sufficient working capital."

1.6 Sections 10.1 (Insurance) and 17.0 (Notices) are hereby amended by replacing the references to "Community Services" with "Public Works."

2.0 MISCELLANEOUS

2.1 Execution in Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed one and the same Amendment

2.2 Applicable Law. This Amendment shall be governed by and construed in accordance with the laws of the State of California.

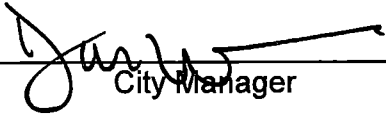
2.3 Confirmation of Agreement. Except as expressly set forth in this Amendment, all provisions of the Management Agreement shall remain in full force and effect.

2.4 Captions. The captions or headings in this Amendment are for convenience only and in no way define, limit or describe the scope or intent of any provisions of this Amendment.

[Signatures appear on the following page.]


IN WITNESS WHEREOF, the undersigned have executed this Amendment at
Fairfield, California, as of the date first written above.

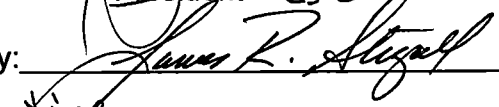
CITY OF FAIRFIELD,
a municipal corporation



City Manager *JS*

KEMPER SPORTS MANAGEMENT, INC.
an Illinois corporation


By: _____
President *C. E. G.*


By: _____
Executive Vice President